



February 9, 2012

Shoshana M. Grove  
Secretary  
Postal Regulatory Commission  
901 New York Avenue, NW, Suite 200  
Washington, DC 20268-0001

Re: Reply Rides Free Data Collection Report (Docket No. MC2011-20)

As required by Order No. 685 in Docket No. MC2011-20, the Postal Service presents its data collection report on the 2011 Reply Rides Free<sup>®</sup> Volume Incentive Program ("Reply Rides Free Program"). The Reply Rides Free Program was a First-Class Mail<sup>®</sup> sales incentive campaign offered by the United States Postal Service. The objectives of the campaign were to address the negative trend of First-Class Mail volume and to create incremental revenue by providing business customers with incentives to augment the number of First-Class Mail Presorted and Automation Letters mailed. The program ran from January 2, 2011 through December 31, 2011.

## **PARTICIPATION AND POSTAGE CREDIT SUMMARY STATISTICS**

There were a total of 88 certified participants in the 2011 Reply Rides Free Program.<sup>1</sup> Of the 88 customers, eligible volume and revenue data has been finalized for 79 customers. None of these 79 customers earned a postage credit, but the results for the other 9 participants are still under review.

## **COMMISSION-REQUESTED DATA**

There is one workbook filed in conjunction with this report. The workbook titled "USPS RRF Data Rpt.xls" includes the following data requested by the Commission:

- The FY 2009 and FY 2010 First-Class Mail Presort and Automation Letters volume for each participating mailer;
- The number of discounted additional ounces for each participating mailer;
- The total amount of discounts received by each participating mailer;

---

<sup>1</sup> Beginning in August 2011, the application window for mailers interested in participating in the Reply Rides Free Program reopened. Interested applicants were allowed to participate in the Program from September 1, 2011 through the Program's conclusion on December 31, 2011. 3 certified participants out of the 88 participant total joined the Program beginning in September 2011.

- The total volume and revenue of Reply Rides Free mail<sup>2</sup>
- The estimated administrative cost of the program (please see “Administrative Cost” section found below in this document)

Mailer identifications are masked in the workbook, and the data are segmented in mailer-specific worksheets.

The data contained in USPS RRF Data Rpt.xls include the postage credits earned by participating mailers by program quarter and program year. For a mailer to receive a quarterly postage credit, the mailer must have exceeded its pre-determined quarterly mail volume threshold AND its pre-determined annual mail volume threshold. A mailer who did not meet or exceed its annual mail volume threshold is not eligible for any quarterly or annual postage credits, even if a customer met or exceeded a quarterly mail volume threshold. A postage credit amount of \$0.125 is awarded to a customer for each piece of qualifying Reply Rides Free mail sent, provided that the customer satisfied the volume threshold criteria noted above. If a customer did not mail qualifying Reply Rides Free pieces, the customer is not eligible for a postage credit, irrespective of whether the customer satisfied the volume threshold criteria noted above.

The data provided in the workbook come from USPS PostalOne! data systems and, where necessary, mailer-provided Mail Service Provider (MSP) volumes. Note that in some cases modifications were made to customer data during the verification and reconciliation process. The main sources of variance were misidentification of permit account ownership, and ownership and identification of volume entered by third-party MSPs. The mailer records have been updated to reflect these modifications.

The data in the workbook are subject to change should certain customers dispute volumes or postage credit amounts, or if customer volume and/or revenue data require update.

### **Mailer Specific Data in Workbook**

Data for all certified customers with fully verified volume and revenue statistics are included in the workbook. 9 customers are still in the process of finalizing eligible mail volume totals, and therefore some data for these customers are still outstanding. The data associated with the above mentioned 9 customers have been excluded from the workbooks. Updated data will be reported to the Commission once volume and postage credit data have been received and reconciled for these 9 customers.

---

<sup>2</sup> The Postal Service recognizes that the Commission requested “the total volume and revenue of Reply Rides Free mail **by presort category**.” The systems used to capture the Reply Rides Free volume entered into the mail were not designed to differentiate by presort category, so the Postal Service is unable to provide the level of detail requested by the Commission. However, the Postal Service believes that the presort breakdown for Reply Rides Free mail is not significantly different from the presort breakdown for First-Class Mail automation letters in general.

## **ADMINISTRATIVE COST**

The actual administrative costs for the program to date were approximately \$792,000:

Expense Item	(in whole \$'s)
Program Support - Dedicated USPS Personnel	\$158,170
Contractor analytical support	\$525,000
Registration website creation	\$9,032
Production of customer print communications	\$100,000
Total as of 2/9/2012	\$792,202

Sincerely,

David H. Rubin  
Attorney